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# Nebraska's Economic Outlook Compared to Neighboring States

Charles Lamphear

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# Business in Nebraska

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Prepared by the Bureau of Business Research, College of Business Administration,  
University of Nebraska-Lincoln, 114 CBA, Lincoln, NE 68588-0406, 402/472-2334

## Nebraska's Economic Outlook Compared to Neighboring States

Charles Lamphear

The November/December 1994 issue of *Business in Nebraska* reported Nebraska's economic outlook for 1995 and 1996. In this issue, we compare 1995 and 1996 employment and income projections for Nebraska with projections for neighboring states and average annual growth rates in those measures from 1990 to 1994.

### Employment

The November/December issue of *Business in Nebraska* reported that growth in Nebraska's total nonfarm employment will average 1.4 percent per year for the next two years.<sup>1</sup> About half of the growth will occur in the service sector, which is projected to add over 10,000 jobs during the two year period. The retail trade sector will add nearly 4,000 jobs. Nonfarm employment in Nebraska grew about 1.5 percent per year during the first five years of this decade, 1990-1994. Services added over 13,000 jobs during the five year period, an average annual growth rate of approximately 1.9 percent per year. Employment in the federal government sector declined by over 500 workers. Wholesale trade lost over 1,000 jobs during this period.

### Maps show state measures as percent of U.S.

#### Legend



Population



Gross Domestic Product



Per Capita Income



Median Household Income



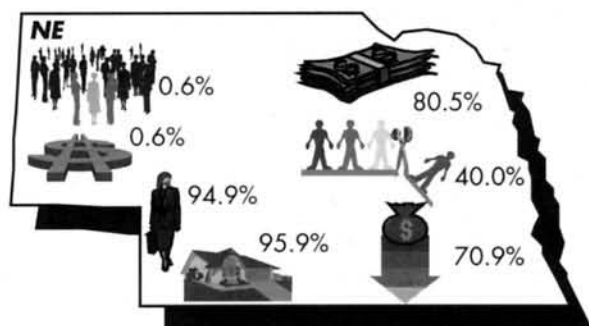
Average Wage per Job



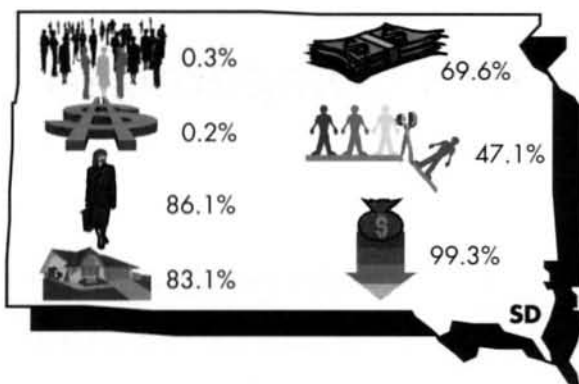
Unemployment Rate



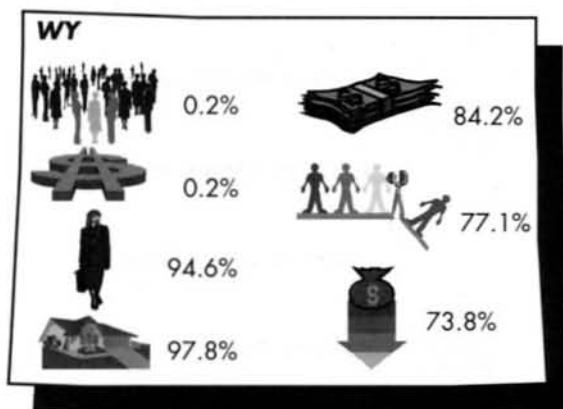
Poverty Rate



The projected average annual rate of growth in nonfarm employment in South Dakota is 1.7 percent for the next two years. The average annual rate for the period 1990 through 1994 was 2.5 percent. The two largest nonfarm employment sectors in South Dakota are services (27.2 percent of total nonfarm employment) and wholesale/retail trade (25.0 percent of total nonfarm employment). Government accounts for nearly 19 percent of the state's total nonfarm employment. The manufacturing sector provides about 10 percent of nonfarm jobs in the state.

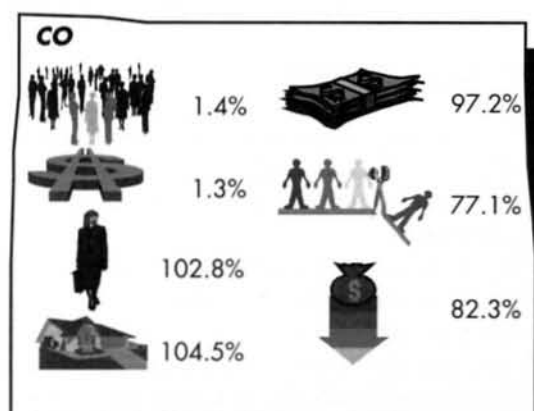


Annual growth in nonfarm employment in Wyoming is projected to average 1.4 percent for the next two years. Nonfarm employment growth averaged 1.8 percent per year during the period 1990-1994. Wyoming's two largest nonfarm employment sectors are services and government. Each sector provides nearly 24 percent of the state's total nonfarm jobs. Mining is the single most important basic economic sector in the state. Mining provides 8 percent of the state's total nonfarm employment. Natural gas production is strong and is projected to



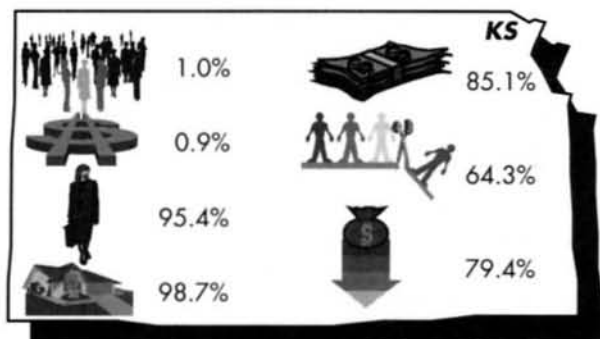
grow 3.6 percent per year through 1998. The demand for Wyoming's low sulfur coal is very strong. Coal production is projected to increase 4.4 percent per year through 1998. Oil production continues to decline.

Colorado's nonfarm employment is projected to grow 3.1 percent per year during the next two years. Colorado's nonfarm employment grew an estimated 3.3 percent per year for the period 1990-1994. Colorado's largest nonfarm employment sectors are services, trade, and government. The service sector accounts for nearly 31 percent of Colorado's total nonfarm jobs. A subcategory called *business services* accounts for 8 percent of the state's total nonfarm jobs. A recent survey of



service sector firms in Colorado revealed that employers are having difficulty in attracting and keeping good workers. A high percentage of the respondents noted that professional staff must be recruited from a national pool and paid relatively high wages to come to Colorado. They also indicated frustration finding clerical workers with adequate reading, writing, and communication skills. Colorado's wholesale and retail trade sectors account for nearly 22 percent of the state's nonfarm jobs. Government employs 17 percent of the state's nonfarm workers. With airport construction slowing, many anticipated a significant construction slowdown in 1994. The home building industry and the nonbuilding contractors of water and sewer facilities, curbs and gutters, street paving, and the like, however, experienced strong growth during 1994. Nearly 30,000 single family homes were built during 1994.

Nonfarm employment growth in Kansas is projected to average 1.5 percent annually in the next two years. Kansas' nonfarm employment growth averaged 1.7 percent per year in the period 1990-

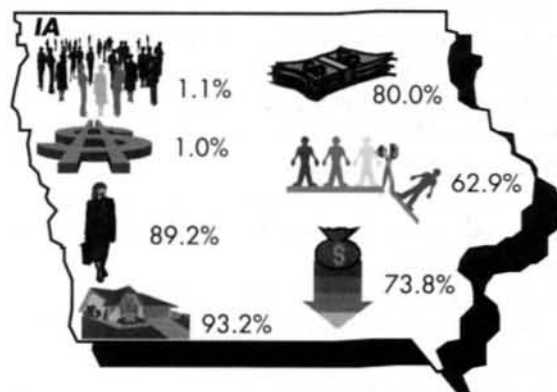


1994. Kansas' three largest nonfarm employment sectors are services (27 percent), wholesale/retail trade (22 percent), and government (19 percent). About 3 percent of the state's nonfarm employment is concentrated in transportation equipment industries.

The projected average annual growth rate for nonfarm employment in Missouri for the next two years is 2.2 percent. The 2.2 percent average annual rate compares with a rate of 1.1 percent for

at a moderate pace, with construction and professional services showing the fastest rate of increase.

1994 was a strong recovery year for Iowa, with growth in nonfarm employment in excess of 3 percent. Nonfarm employment growth for 1992 was under 2 percent. The average growth rate for the 1990-1994 period was approximately 2.0 percent. Nonfarm employment growth for 1995 and 1996 is projected to average 3.4 percent per year. The fastest growing sector is projected to be durable goods manufacturing, with an average growth rate of 5 percent per year. Durable goods manufacturing accounts for over 8 percent of the state's total nonfarm employment. Iowa's two largest nonfarm employment sectors are services (28 percent) and wholesale/retail trade (24 percent). Government accounts for about 15 percent of the state's total nonfarm employment.

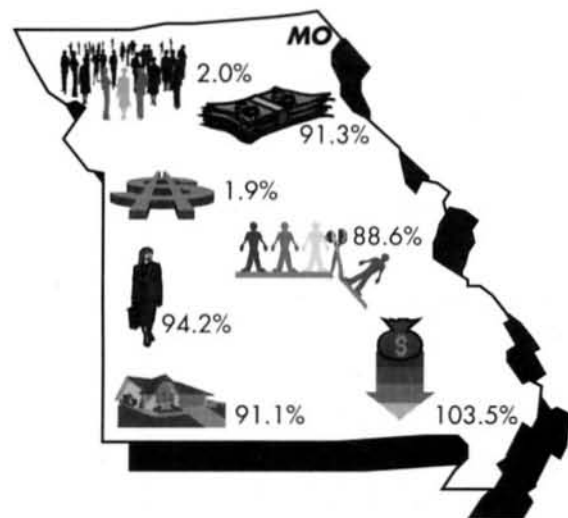


## Income

Growth in Nebraska's total personal income is projected to average 5.3 percent per year for the next two years.<sup>2</sup> This compares with an average annual rate of 4.7 percent per year for the period 1990 through 1994. Table 1 presents income rankings for Nebraska and neighboring states. Table 2 shows the components of total personal income for the states.

Total personal income for South Dakota is projected to grow an average 5.0 percent per year for the next two years. This compares with an average annual growth rate of 5.1 percent for the period 1990-1994. South Dakota can expect continued income growth through at least 1996.

Growth in Wyoming's total personal income is projected to average 4.9 percent per year for the next two years. Growth in the state's total personal income averaged 6.1 percent per year for the 1990-1994 period.



the 1990-1994 period. Durable manufacturing employment is projected to grow at a slow but steady pace. Most of the strength will come from increases in employment in automobile manufacturing. Employment in the nondurable manufacturing sector is projected to grow slowly, adding several thousand jobs by the end of 1996. Non-manufacturing employment in Missouri is projected to grow

**Table 1**  
**Total Personal Income Rankings<sup>a</sup>**

	Total Income 1993	Income Growth 1988-1993
Nebraska	34	30
South Dakota	47	10
Wyoming	50	17
Colorado	22	7
Kansas	31	33
Missouri	17	40
Iowa	30	39

<sup>a</sup>Rankings are based on the fifty states.

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Colorado's total personal income is projected to grow 6.9 percent per year for the next two years. This represents a slight slowdown from recent rates that exceeded 7 percent. Average annual growth for the 1990-1994 period was 7.2 percent.

For Kansas, growth in total personal income is projected to average 5.5 percent per year. The average annual growth rate of total personal income for the 1990-1994 period was 5.2 percent.

Missouri's total personal income is projected to grow 5.2 percent per year for the next two years. The average annual rate for the 1990-1994 period was 5.1 percent.

Iowa's total personal income is projected to grow 6.5 percent per year for the next two years. The state's average annual growth rate for the 1990-1994 period was 4.8 percent.

## Summary

Figures 1 and 2 summarize the average growth rates for employment and income for Nebraska and the neighboring states. The growth rates reflect two periods of time: historical (1990-1994) and projected (1995-1996).

For the historical period, Nebraska's average rate of growth for employment ranked sixth among the seven states. For the projection period, Nebraska ranks sixth, as does Wyoming.

Nebraska ranked seventh in total personal income growth during the historical period. For the projection period, Nebraska ranks fourth.

<sup>1</sup>Employment growth rates refer to nonfarm employment that includes part- and full-time workers.

<sup>2</sup>The average annual growth rates represent total personal income in nominal terms, which means the data have not been adjusted for inflation. Total personal income includes earnings (wages and salaries, other labor income, and proprietors' income); dividends, interest, and rent; and transfer payments received by residents.

Sources for this article include recent economic outlook reports by university bureaus and/or state agencies in the respective states and statistical data from the Bureau of Economic Analysis, U.S. Department of Commerce.

**Table 2**  
**Total Personal Income Composition**  
**for 1982 and 1992**  
(in percentage terms)

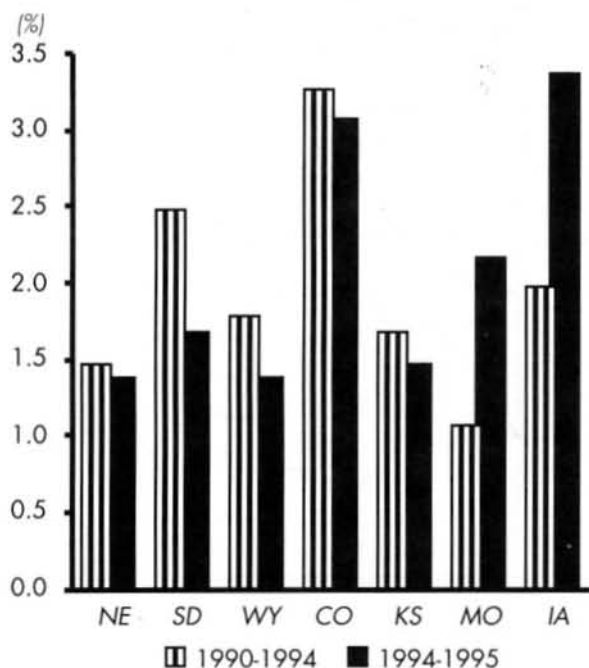
	1992			1982		
	Earnings	DIR <sup>a</sup>	Transfers <sup>b</sup>	Earnings	DIR <sup>a</sup>	Transfers <sup>b</sup>
Nebraska	68.5	16.5	15.0	65.1	21.1	13.8
So. Dakota	66.0	17.1	16.8	60.4	23.1	16.4
Wyoming	65.4	19.5	15.1	73.4	16.7	9.9
Colorado	69.6	16.8	13.6	71.7	16.9	11.5
Kansas	66.5	17.6	15.9	66.0	19.9	14.1
Missouri	64.7	18.3	17.0	64.6	19.9	15.5
Iowa	65.7	17.7	16.6	61.8	23.0	15.2

<sup>a</sup>DIR refers to income in the form of dividends, interest, and rents.

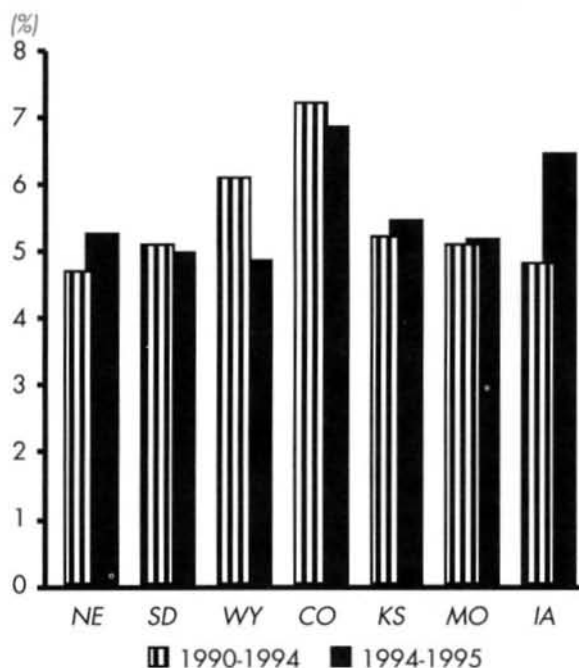
<sup>b</sup>The Bureau of Economic Analysis defines transfer payments as "payments to persons, generally in monetary form, for which they do not render current services."

Source: Bureau of Economic Analysis, U.S. Department of Commerce

**Figure 1**  
**Employment Growth Rates**  
**for Nebraska and Neighboring States**  
**(Average Annual)**

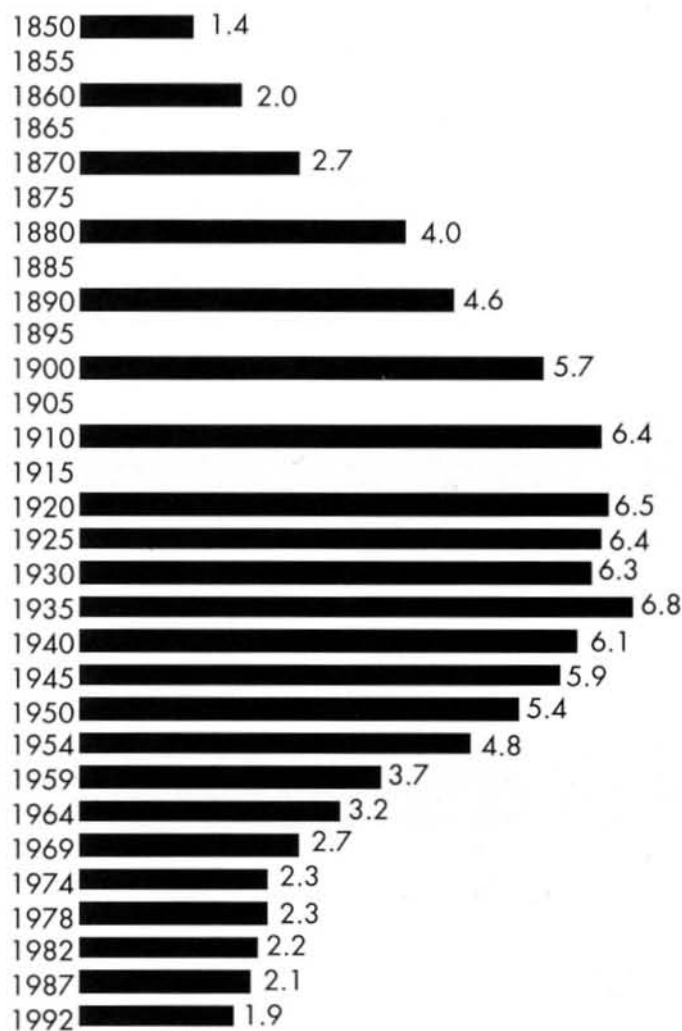


**Figure 2**  
**Total Personal Income Growth Rates**  
**for Nebraska and Neighboring States**  
**(Average Annual)**



## Fewest Farms Since Before the Civil War

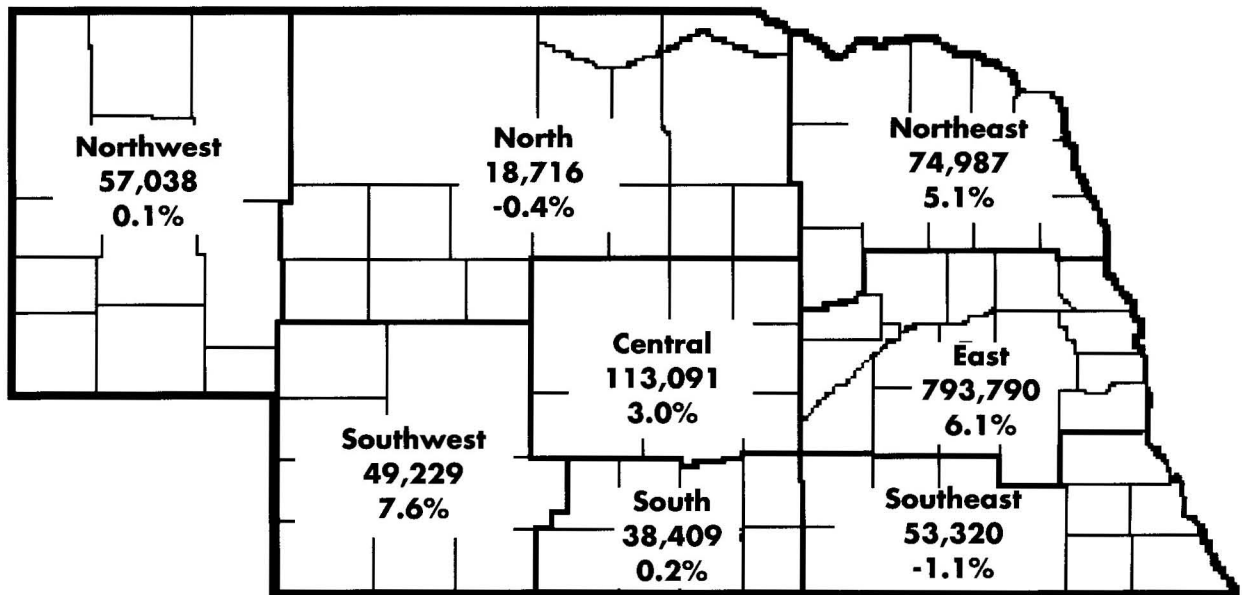
The 1992 Census of Agriculture shows that the United States had 1,925,300 farms, making it the first census since 1850 with fewer than two million farms.



Source: 1992 Census of Agriculture, Geographic Area Series, U.S. Summary



**September Total Regional Retail Sales  
and Percent Change from Year Ago**  
(\$000)



**Price Indices**

	November 1994	% Change vs. Year Ago	YTD % Change vs. Year Ago
Consumer Price Index - U* (1982-84 = 100)			
All Items	149.7	2.7	2.6
Commodities	135.2	2.0	1.6
Services	164.7	3.2	3.4

U\* = All urban consumers  
Source: U.S. Bureau of Labor Statistics

**Employment in Nebraska**

	Revised September 1994	Preliminary October 1994	% Change vs. Year Ago
Place of Work			
Nonfarm	788,102	794,412	2.4
Manufacturing	106,091	106,845	1.8
Durables	51,439	52,070	5.8
Nondurables	54,652	54,775	-1.7
Mining/Construction	36,380	35,943	1.0
TCU*	48,321	48,538	3.2
Trade	198,018	199,744	2.4
Wholesale	143,597	144,859	1.1
Retail	54,421	54,885	5.9
FIRE**	50,268	50,282	-0.2
Services	196,353	197,376	3.2
Government	152,671	155,684	2.9
Place of Residence			
Civilian Labor Force	873,742	875,247	1.7
Unemployment Rate	2.5	2.2	

\* Transportation, Communication, and Utilities

\*\* Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor

**City Employment  
August 1994  
Percent Change from Year Ago**

The State and Its Trading Centers	
NEBRASKA	2.4
Alliance	2.7
Beatrice	3.8
Bellevue	1.7
Blair	1.7
Broken Bow	4.6
Chadron	2.8
Columbus	3.8
Fairbury	2.6
Falls City	2.9
Fremont	3.1
Grand Island	2.7
Hastings	2.7
Holdrege	4.3
Kearney	3.8
Lexington	3.0
Lincoln	1.0
McCook	2.6
Nebraska City	3.7
Norfolk	3.2
North Platte	2.9
Ogallala	4.2
Omaha	1.7
Scottsbluff/Gering	3.5
Seward	3.6
Sidney	2.6
South Sioux City	-0.4
York	3.7

As a proxy for city employment, total employment (labor force basis) for the county in which a city is located is used

# Nonmotor Vehicle Net Taxable Retail Sales in Nebraska Cities

	September 1994 (\$000)	% change vs Year Ago		September 1994 (\$000)	% change vs Year Ago
Omaha, Douglas	405,614	7.3	Red Cloud, Webster	783	0.8
Lincoln, Lancaster	167,137	6.8	Ravenna, Buffalo	782	4.1
Grand Island, Hall	43,892	4.9	Bloomfield, Knox	763	6.4
Kearney, Buffalo	25,371	2.2	Shelton, Buffalo	759	-4.0
Norfolk, Madison	25,346	7.5	Alma, Harlan	733	14.4
Fremont, Dodge	20,949	2.7	Oakland, Burt	701	-7.6
North Platte, Lincoln	20,677	9.4	Plainview, Pierce	701	1.3
Columbus, Platte	18,993	4.2	Loup City, Sherman	690	-3.9
Hastings, Adams	18,561	0.3	Arapahoe, Furnas	689	3.5
Scottsbluff, Scotts Bluff	17,988	-0.8	Pierce, Pierce	673	11.2
Bellevue, Sarpy	14,809	4.4	Waverly, Lancaster	668	38.9
Beatrice, Gage	8,732	-0.8	Pender, Thurston	645	11.2
York, York	8,656	6.9	Franklin, Franklin	637	19.5
McCook, Red Willow	8,294	-2.2	Rushville, Sheridan	637	12.1
South Sioux City, Dakota	7,366	2.8	Benkelman, Dundy	634	15.7
Lexington, Dawson	7,200	-2.0	Wisner, Cuming	633	-12.6
Sidney, Cheyenne	6,381	1.1	Battle Creek, Madison	598	-19.9
Blair, Washington	6,160	13.1	Lyons, Burt	594	10.0
La Vista, Sarpy	5,678	2.2	Weeping Water, Cass	591	-56.9
Alliance, Box Butte	5,388	3.8	Waterloo, Douglas	582	19.3
Ogallala, Keith	5,306	5.9	Millard, Douglas	582	17.8
Nebraska City, Otoe	5,080	9.6	Cambridge, Furnas	582	13.7
Seward, Seward	4,644	-18.7	Scribner, Dodge	568	-7.0
Holdrege, Phelps	4,361	-9.6	Crawford, Dawes	554	18.1
Broken Bow, Custer	3,874	-3.1	Stanton, Stanton	549	2.6
Gering, Scotts Bluff	3,871	1.3	Doniphan, Hall	541	29.4
Crete, Saline	3,670	-7.8	Fullerton, Nance	539	-17.3
O'Neill, Holt	3,599	-9.6	Friend, Saline	536	-11.0
Gretna, Sarpy	3,540	213.3	Tilden, Madison	529	20.5
Wayne, Wayne	3,498	-3.0	Bayard, Morrill	528	29.4
Chadron, Dawes	3,426	11.7	Humboldt, Richardson	507	-10.1
Papillion, Sarpy	3,363	8.6	Oshkosh, Garden	504	20.6
Valentine, Cherry	3,252	-0.9	Bassett, Rock	499	-15.4
West Point, Cuming	3,015	-10.7	Clarkson, Colfax	498	-1.8
Fairbury, Jefferson	2,934	-24.3	Osmond, Pierce	497	16.9
Cozad, Dawson	2,903	3.0	Wilber, Saline	495	18.4
Plattsmouth, Cass	2,885	-4.3	Elgin, Antelope	486	13.8
Aurora, Hamilton	2,758	20.1	Dakota City, Dakota	485	-10.8
Auburn, Nemaha	2,691	6.6	Ponca, Dixon	478	1.5
Wahoo, Saunders	2,670	10.2	Chappell, Deuel	470	-8.4
Ralston, Douglas	2,580	10.5	North Bend, Dodge	466	0.9
Falls City, Richardson	2,377	-2.1	Wood River, Hall	450	5.9
Hebron, Thayer	2,052	-20.4	Laurel, Cedar	447	-3.0
Imperial, Chase	2,045	35.8	Elwood, Gosper	446	10.9
Gothenburg, Dawson	2,027	9.6	Morrill, Scotts Bluff	440	7.6
Ainsworth, Brown	1,890	4.7	Wymore, Gage	438	16.2
Minden, Kearney	1,799	1.9	Randolph, Cedar	436	12.7
Ord, Valley	1,749	-3.4	Oxford, Furnas	433	23.0
Gordon, Sheridan	1,745	-2.8	Blue Hill, Webster	431	2.1
Schuyler, Colfax	1,725	-23.7	Spalding, Greeley	431	11.1
Kimball, Kimball	1,674	-9.8	Overton, Dawson	418	-67.5
Elkhorn, Douglas	1,672	13.2	Louisville, Cass	397	13.4
Geneva, Fillmore	1,664	3.5	Hershey, Lincoln	397	0.0
Albion, Boone	1,600	-2.0	Ewing, Holt	395	13.5
David City, Butler	1,583	3.9	Greenwood, Cass	386	41.4
Central City, Merrick	1,564	-20.2	Crofton, Knox	383	-5.9
Hartington, Cedar	1,512	-12.8	Arnold, Custer	379	45.2
Superior, Nuckolls	1,425	-4.0	Beemer, Cuming	369	12.5
Neligh, Antelope	1,284	-5.4	Alda, Hall	362	38.7
Valley, Douglas	1,243	10.1	Big Springs, Deuel	361	-4.2
Ceresco, Saunders	1,202	18.4	Sutherland, Lincoln	361	20.3
Syracuse, Otoe	1,127	21.8	Wakefield, Dixon	356	-17.4
Stromsburg, Polk	1,117	-17.5	Palisade, Hitchcock	351	-4.1
Saint Paul, Howard	1,087	-12.7	Howells, Colfax	349	20.3
Tekamah, Burt	1,005	-4.6	Plymouth, Jefferson	347	22.6
Creighton, Knox	1,003	-6.3	Eagle, Cass	346	5.2
Tecumseh, Johnson	1,000	-4.2	Hooper, Dodge	338	-6.1
Bridgeport, Morrill	992	-3.2	Newman Grove, Madison	327	7.6
Madison, Madison	992	23.2	Nelson, Nuckolls	327	24.8
Mitchell, Scotts Bluff	977	7.1	Shelby, Polk	324	16.1
Milford, Seward	970	1.5	Thedford, Thomas	320	10.0
Sutton, Clay	953	0.5	Exeter, Fillmore	318	16.5
Burwell, Garfield	935	-1.3	Curtis, Frontier	316	-5.1
Ashland, Saunders	934	-27.7	Hay Springs, Sheridan	316	5.0
Humphrey, Platte	846	-3.1	Spencer, Boyd	315	13.3
Henderson, York	843	32.5	Pawnee City, Pawnee	314	25.1
Atkinson, Holt	828	-2.2	Valparaiso, Saunders	312	22.4
Osceola, Polk	821	2.0	Wauweta, Chase	307	0.3
Gibbon, Buffalo	799	1.9	Clay Center, Clay	305	-7.3
Grant, Perkins	795	81.5	Emerson, Dakota	305	-25.4



# Population Projections Report Available

A report on population projections to 2010 for Nebraska is now available from the Bureau of Business Research. The report contains county level projections by age category.

Addresses for ordering copies of *Nebraska County Population, 1990-2010* are given below. The price is \$12.50 per copy including handling and mailing charges.

E-mail: cboyd@unlinfo.unl.edu

FAX: (402) 472-3878

Mail: Bureau of Business Research  
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University of Nebraska-Lincoln  
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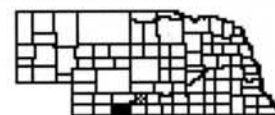
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*Business in Nebraska* January 1995

County of the Month

# Gosper

Elwood—County Seat



Next County of Month

**License plate prefix number:** 73

**Size of county:** 461 square miles, ranks 79th in the state

**Population:** 1,928 in 1990, a change of -9.9 percent from 1980

**Median age:** 40.7 years in Gosper County, 33.0 years in Nebraska in 1990

**Per capita personal income:** \$20,684 in 1992, ranks 11th in the state

**Net taxable retail sales (\$000):** \$7,480 in 1993, a change of 10.2 percent from 1992; \$6,383 during January-September 1994, a change 16.8 of percent from the same period one year ago

**Number of business and service establishments:** 54 in 1991; 77.8 percent had less than five employees

**Unemployment rate:** 1.8 percent in Gosper County, 2.9 percent in Nebraska for 1993

**Nonfarm employment (1993):**

	State	Gosper County
Wage and salary workers	762,703	391
	(percent of total)	
Manufacturing	13.5%	* %
Construction and Mining	4.3	17.1
TCU	6.2	*
Retail Trade	18.4	11.5
Wholesale Trade	6.8	9.7
FIRE	6.6	7.2
Services	24.6	5.9
Government	19.6	47.6
Total	100.0%	100.0%

\*Data not available due to disclosure suppression

## Agriculture:

Number of farms: 282 in 1992, 345 in 1987

Average farm size: 815 acres in 1992

Market value of farm products sold: \$37.5 million in 1992 (\$133,012 average per farm)

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue

